

Community Planning and Economic Development Planning Division Report

Rezoning Application
Conditional Use Permit
Site Plan Review
BZZ-1796

Date: July 12, 2004

Applicant: Basim Sabri

Address Of Property: 206 Elroy Street, includes
2920 through 2928 Pillsbury Avenue South

Date Application Deemed Complete: June 8, 2004

End of 60 Day Decision Period: August 7, 2004

End of 120 Day Decision Period: October 6, 2004

Applicant Waive 60 Day Requirement: No

Contact Person and Phone: Scott Nelson, (612) 676-2700

Planning Staff and Phone: Fred Neet, (612) 673-3242

Ward: 6 Neighborhood Organization: Whittier Alliance

Existing Zoning: I1

Proposed Zoning: I1 with Industrial Overlay District (ILOD)

Zoning Plate Number: 25

Legal Description: Lots 5, 6, 7, 8, 9, 10, 11, and 12, Lindley & Lingenfelter's addition to Minneapolis.

Proposed Use: mixed use light industry, retail (farmer's market), restaurant on the first floor, 69 dwelling unit on floors 2-4, with 103 parking spaces below grade.

Previous Actions:

The land sale by the former MCDA to the developer was approved by the Community Development Committee on March 5, 2001, and by the full City Council on March 23, 2001. The redevelopment contract was executed and the land conveyed May 14, 2004

Concurrent Review: none

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Signage: to be determined

Appropriate Section(s) of the Zoning Code: Chapter 551, Article IV (Industrial Living Overlay District); Chapter 525, Article VII (Conditional Use Permit); and Chapter 530 (Site Plan Review)

Background:

The applicant originally partnered with the Whittier Community Development Corporation to develop the subject property as Karmel Plaza. The application advanced through the development review process, obtaining Planning Commission approval on June 4, 2001. Before final plans could be submitted to staff for approval and building permits issued, the development became a subject of a federal investigation. By the time development activity was able to resume, the application approvals had expired¹. A second application, revised to include a 14% reduction of overall floor area and the addition of 2,500 s.f. of restaurant space, was approved by the Planning Commission September 8, 2003, appealed to the City Council which denied the appeal (approving the application).

Note that the vacation of Elroy Street, and the north-south alley between Elroy and Lake Streets were given final approval in 2001. While they are still street and alley in appearance, in legal terms they are property that has been conveyed to the adjacent property owner.

The 134,000 gross square feet development now proposed on the 74,393 square foot lot is a four-story mixed use building that would be built at the perimeter of the site with an interior parking area accessible at the south side of the property from both Pillsbury and Pleasant Avenues. The first floor, 33,833 square feet, includes industrial (11,819 sq.ft.), retail (14,595 sq.ft.), and restaurant (2,591 sq.ft) uses. The upper three floors contain 69 residential units. The retail space is proposed to be an ethnic market that functions as an enlargement of the primarily Somali market located at the ground level of the Karmel Square building immediately to the south of the subject site.

141 parking spaces are required and provided, with credit for 10 bicycle stalls.

Because the development exceeds 20,000 square feet and includes more than 9 dwelling units, it is subject to the provisions of the site plan review ordinance. The ethnic market is categorized as a farmer's market for purposes of application of the zoning code. As such, it as well as the dwelling units require a conditional use permit in the I1 zoning district.

The Midtown Greenway is to the north, with an initial 50% slope which raises public safety concerns addressed by a 4-foot high wrought iron fence near the perimeter. Fencing, trees, and shrubs provide clear demarcation between the private development, which includes a small play area, patio seating, and a fountain, from public space. To the east is Park Square Condominiums zoned R5 with 128 units. To the south are Karmel Square retail, zoned I1, and a medium industrial building, zoned I2. To the west are low-density residential and vacant lots zoned I2. Lake Street, a Commercial Corridor and transit route, is one-half block south with mixed C2 and C4 zoning districts.

¹ Per 525.40, no zoning approval granted by the city planning commission, board of adjustment or city council, except zoning amendments, are valid for more than one year from the date of decision unless the building permit is obtained within such period, and either the use is established or erection or alteration of building is substantially begun. The zoning administrator, upon written request and good cause, may extend this period for up to one additional year.

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Community review (from the 2003 staff report). The original project proposal was presented to the Whittier Alliance Board of Directors at its February 22, 2001, meeting. The Board voted to support the project with certain conditions. The Whittier Alliance Board of directors voted to support the current development on April 24, 2003, as documented in the attached letter.

Current problems at the site are responsible for a high level of concern about the proposal from surrounding property owners and tenants. Two years ago, many letters and phone calls were received related primarily to the behavior of the tenants and patrons of the applicant's existing development, Karmel Square—which is located directly south of the proposed Karmel Plaza. These behaviors are made more problematic because of the current lack of off-street parking facilities. Reports were of illegal parking, double parking, cars stopped with drivers conversing out of car windows, and parking in the parking lot reserved for Park Square condominium residents and guests. Much concern was expressed about the applicant's proposal to provide additional space for this ethnic marketplace. Planning staff has been in recent conversations with MCDA staff and Council Member Zimmerman that make it clear that these problems and concerns have persisted. This is not surprising given that no additional parking has yet been made available.

One phone call has been received with regard to the current application. The caller expressed concern that the Karmel Plaza proposes to essentially expand the existing ethnic market space in Karmel Square by utilizing about half of the ground floor of the proposed Karmel Plaza development for this purpose.

Findings As Required By The Minneapolis Zoning Code:

REZONING (ILOD)

1. Whether the amendment is consistent with the applicable policies of the comprehensive plan.

- 1.2 Minneapolis will encourage both private and public development that provides gathering spaces in city neighborhoods.** The Karmel Square development to the south evidently serves as an important gathering space for Somali Minneapolitans. The proposed development would provide additional market and restaurant space for the same patron community.
- 2.2 Minneapolis will support the existing economic base by providing adequate land and infrastructure to make city sites attractive to businesses willing to invest in high job density and low impact, light industrial activity.** The subject development provides industrial jobs.
- 9.6 Minneapolis will work with private and other public sector partners to invest in new development that is attractive, functional and adds value to the physical environment.**
- 9.15 Minneapolis will protect residential areas from the negative impact of non-residential uses by providing appropriate transitions.**
- 9.16 Minneapolis will encourage new development to use human scale design features and incorporate sunlight, privacy, and view elements into building and site designs.**

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9.23 Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

2. Whether the amendment is in the public interest and is not solely for the interest of a single property owner.

Vacant land, formerly owned by the City, will produce jobs, retail services, housing, and enhance the tax base.

3. Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.

The mixed use development is adjacent to parkland, low- and medium-density residential, retail, and industrial uses.

4. Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.

It uses for the property are certainly reasonable, and are included in the application. Mixed uses including residential are also reasonable, especially near two transit corridors (public transit, bikes, and pedestrian).

5. Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.

LynLake commercial district to the west-southwest is enjoying significant public and private investment. Karmel Square retail and Park Square Condominiums are major recent additions. The Midtown Greenway is also recent and continues to enjoy expansion.

CONDITIONAL USE PERMIT

The Community Planning and Economic Development Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.

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Some letters from adjacent owners and tenants in 2001 and 2003 express the view that the previously proposed level of development is not appropriate for the area because the related traffic and noise is not compatible with a mixed use area that includes residential properties. The current proposal includes residential development.

Permitted hours of operation in the I1 zoning district are the same as that in the C1 zoning district: 6:00 a.m. to 10:00 p.m. Sunday through Thursday and 6:00 a.m. through 11:00 p.m. Friday and Saturday.

2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.

The proposal extends the area's development with similar uses. Provision of off-street parking could reduce many of the behaviors that have been of concern to residential neighbors including double-parking on the street and parking in the parking lot of the condominium building. The proposal offers many aesthetic features such as windows, architectural detailing, and landscaping that communicate a high quality development, and improve its compatibility with nearby residential development.

3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.

Adequate utilities are available at the site.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

Public Works staff has reviewed the proposal at its preliminary plan review meeting, finding that the parking lot and its connections to the street are appropriately designed. The applicant now controls the south side of vacated Elroy Street where he proposes an additional 35 parking spaces, presumably to serve both Karmel Square as well as the proposed mixed use development of Karmel Plaza.

5. Is consistent with the applicable policies of the comprehensive plan.

See Rezoning #1, above (pages 3-4).

6. And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of this conditional use permit.

No vibration, excessive dust, noise, light, glare, smoke, odor, truck traffic or other substance or condition, shall be generated by uses in the building that will have an adverse impact on the residential use of the building [Section 551.370(d)].

Also see Findings for Site Plan Review, below.

Required Findings for Major Site Plan Review

A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)

B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with applicable policies of the comprehensive plan. (See Section B Below for Evaluation.)

C. The site plan is consistent with applicable development plans or development objectives adopted by the city council. (See Section C Below for Evaluation.)

Section A: Conformance with Chapter 530 of Zoning Code

BUILDING PLACEMENT AND FAÇADE:

- Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
- First floor of the building shall be located not more than eight (8) feet from the front lot line. If located on corner lot, the building wall abutting each street shall be subject to this requirement.
- The area between the building and the lot line shall include amenities.
- The building shall be oriented so that at least one (1) principal entrance faces the public street.
- Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.
- For new construction, the building façade shall provide architectural detail and shall contain windows at the ground level or first floor.
- In larger buildings, architectural elements shall be emphasized.
- The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.
- The use of plain face concrete block as an exterior material shall be prohibited where visible from a public street or a residence or office residence district.
- Entrances and windows:
 - Residential uses shall be subject to section 530.110 (b) (1).
 - Nonresidential uses shall be subject to section 530.110 (b) (2).

Karmel Plaza is proposed to be situated at the right of way line on both Pillsbury and Pleasant Avenues. It will be set back 36 feet from the northern property line where it fronts on the Midtown Greenway. The window area on all floors exceed 30% of the wall area. Landscaping and fountains are along the north and south building walls, with decorative fencing on the north side. The principal entrance faces the lot interior, as approved in 2001 and 2003, but is connected to the public sidewalk by a walkway along the perimeter of the building. Other architectural detailing provides interest and breaks up the expanse of the structure. All sides of the building utilize the same façade materials and are similarly detailed. All entries into the building are proposed to be from the interior of the site.

ACCESS AND CIRCULATION:

- Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.

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- Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.
- Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.
- Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.140 (b).
- Areas for snow storage shall be provided unless an acceptable snow removal plan is provided.
- Site plans shall minimize the use of impervious surfaces.

As noted, the principal entrance faces the lot interior, as approved in 2001 and 2003, but is connected to the public sidewalk by a walkway along the perimeter of the building.

Public Works and Fire Department staff has reviewed the plan, and find that it adequately meets City requirements for vehicular access and circulation. Dimensions of parking spaces and drive aisles meet the minimum requirements of the zoning code.

Snow will be removed from the site.

The applicant has spaced the building 36 feet from the north property line along the midtown greenway. This makes land available at such time as interest is expressed by the Hennepin Council Regional Rail Authority, or other entity, in developing a public walking path along the south side of the greenway trench.

LANDSCAPING AND SCREENING:

- The composition and location of landscaped areas shall complement the scale of the development and its surroundings.
 - Not less than twenty (20) percent of the site not occupied by buildings shall be landscaped as specified in section 530.150 (a).
 - Where a landscaped yard is required, such requirement shall be landscaped as specified in section 530.150 (b).
- Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.
- Required screening shall be at least ninety-five (95) percent opaque throughout the year. Screening shall be satisfied by one or a combination of the following:
 - A decorative fence.
 - A masonry wall.
 - A hedge.
- Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.160 (b).
- Parking and loading facilities abutting a residence or office residence district or abutting a permitted or conditional residential use shall comply with section 530.160 (c).
- The corners of parking lots shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks, or bicycle parking.
- Parking lots containing more than two hundred (200) parking spaces: an additional landscaped area not less than one hundred-fifty (150) square feet shall be provided for each twenty-five (25) parking spaces or fraction thereof, and shall be landscaped as specified for a required landscaped yard.
- All parking lots and driveways shall be defined by a six (6) inch by six (6) inch continuous concrete curb positioned two (2) feet from the boundary of the parking lot, except where the parking lot perimeter is designed to provide on-site retention and filtration of stormwater. In such case the use of wheel stops or discontinuous curbing is permissible.

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- All other areas not governed by sections 530.150, 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.
- Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.220.
- The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.60, as provided in section 530.230.

The city's landscape architect approved the proposed landscaping plan. Over 32% of the net site is landscaped. Due to the building and parking locations, neither landscaped yards nor screening is required. Parking and loading are interior to the lot. Driveways are at the corners of the parking lot. 38 surface parking spaces are provided. Curbing is provided. A stormwater management plan is required by the Public Works Department. Native grasses are proposed on the north side where the steep grade to the Midtown Greenway begins.

ADDITIONAL STANDARDS:

- Lighting shall comply with the requirements of Chapter 535 and Chapter 541. A lighting diagram may be required.
- Parking and loading facilities and all other areas upon which vehicles may be located shall be screened to avoid headlights shining onto residential properties.
- Site plans shall minimize the blocking of views of important elements of the city.
- Buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.
- Buildings shall be located and arranged to minimize the generation of wind currents at ground level.
- Site plans shall include crime prevention design elements as specified in section 530.260.

A lighting diagram is provided. The building shields residential properties from headlights. Viewsheds are protected to the extent a 4-story building allows, including a flat roof which replaces the pitched roof approved in 2003. Shadowing and wind generation are minimized. The Police Department has reviewed and approved the site plan.

ALTERNATIVE COMPLIANCE: approved by the Planning Commission, 2003

The Planning Commission may approve alternatives to any major site plan review requirement upon finding any of the following:

- The alternative meets the intent of the site plan chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.
- Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.
- The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.

“The applicant proposes to locate all building entrances on the interior of the site, with no entrances to the building from Pillsbury and Pleasant Avenues. This is largely to address the concerns of the residents of the Park Square Condominium building about disruptions that have occurred at the street side of the Karmel Square building. The site plan review chapter calls for buildings to “be oriented so that at least one principal entrance faces the public street rather than the interior of the site.” However, Pillsbury and Pleasant Avenues are not major commercial streets, so staff supports the use of alternative

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compliance. While it is helpful for crime prevention reasons to have activity on the street, activity on the street sufficient for this purpose will remain. Where a development is on a commercial or community corridor, it makes sense to orient activity to the street so that one can walk down the street between the different commercial venues. This setting is a block off Lake Street with a major residential building directly across the street. Sufficient alternative amenities are provided including a covered walkway to building entrances in the site interior....”

Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan

ZONING CODE:

Parking spaces and drive aisles conform with the requirements of the City’s zoning code. Zoning staff has reviewed and support the applicant’s parking calculations as documented on the attached site plan. The parking requirement for the restaurant is valid provided it has no more than 1,300 square feet of seating area.

Specific Development Standards:

Section 536, Specific Development Standards, requires the premises, all adjacent streets, sidewalks, and alleys, and all sidewalks and alleys within one hundred (100) feet shall be inspected regularly for the purposes of removing litter.

Hours of Operation:

Hours of operation allowed under the I1 zoning are 6:00 a.m. to 10:00 p.m. Sunday through Thursday and 6:00 a.m. to 11:00 p.m. Friday and Saturday.

Dumpster screening: Trash collection is located within the building.

Window obstructions:

543.350. Window signs. Window signs shall be allowed, provided that such signage shall not exceed thirty (30) percent of the window area, whether attached to the window or not, and shall not block views into and out of the building at eye level. Window signs shall be included in the calculation of the total permitted building sign area, except as provided for temporary signs in section 543.330.

Window signs are not proposed.

Signage: to be determined.

MINNEAPOLIS PLAN:

The subject site is located in an area without an explicit designation in *The Minneapolis Plan*. It is about a block from Lake Street, which is a commercial corridor, and adjacent to the Midtown Greenway, an abandoned rail corridor now serving as a commuter and recreational bicycle route.

Relevant policies in *The Minneapolis Plan* are cited in the Rezoning section above, pages 3-4.

Section C: Conformance with Applicable Development Plans or Objectives Adopted by the City Council

LAKE STREET MIDTOWN GREENWAY CORRIDOR FRAMEWORK PLAN (1999)

The Framework Plan identifies the Elroy industrial site as an opportunity area for greenway friendly development, and offers a concept illustration of a potential development on the site that includes an ample greenway public edge on the north side of the site. The 2001 MCDA-issued Request for Proposals included greenway friendly development guidelines as evaluation criteria. Two proposals were received, with one subsequently withdrawing. The applicant submitted the remaining proposal.

The Plan also contains the following specific policies:

- **Promote an integrated relationship between new development and the Greenway edge. Make the corridor “Greenway friendly.”** Sub-policies under this heading include
 - **Require that new development projects front onto the Greenway and along 29th Street.**
 - **Where relocating entrances onto the greenway is unfeasible, develop pedestrian-friendly facilities along the rim, such as terraces for employees, improved landscaping and additional windows and awnings to improve visual connections to the corridors.** Proposed windows, patio, fountain, and play area conform with this policy.
- **Develop a premier public edge along both sides of the Greenway, including 29th Street on the south side and a public promenade on the north.** This is an unusual section of the greenway in that 29th Street is on the north side of the greenway. The applicant is responding to this policy by setting the building back 36 feet from the northern property line and offering to provide an easement to Hennepin County Regional Rail Authority for the construction of a public walkway/promenade along the greenway edge.
- **Locate front doors on the street (including 29th Street and the Greenway) and relocate service doors away from the public realm.** The proposal deviates from the first policy for reasons outlined above in the alternative compliance section and complies with the second.
- **Support compact development and promote mixed use in the corridor.** This project mixes retail, restaurant, industrial, and residential development in a four story design.
- **Locate parking either on the street or behind and between buildings along the block.** Parking is located in the interior of the site.

Recommendations Of The Community Planning and Economic Development Planning Division:

REZONING (ILOD)

The Community Planning and Economic Development Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the application to include 206 Elroy Street in the Industrial Living Overlay District.

CONDITIONAL USE PERMIT

The Community Planning and Economic Development Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit to allow 69 dwelling units and a farmer's market at 206 Elroy Street.

SITE PLAN REVIEW

The Community Planning and Economic Development Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application to allow construction of a structure exceeding 20,000 square feet and including 69 dwelling units at 206 Elroy Street; with the following conditions:

- 1) Approval of the final site and landscaping plans by CPED-Planning.
- 2) The final landscaping plan shall show all fencing as well as clarify the vegetation on the north slope.
- 3) The applicant shall provide evidence of permanent easements on both the south and north sides of vacated Elroy Street to allow access to parking both south and north of vacated Elroy Street.
- 4) The applicant shall provide a performance bond in an amount equal to 125% of the cost of site improvements by September 15, 2004, or the permit may be revoked for noncompliance.
- 5) All site improvements shall be completed by August 1, 2005, unless extended by the Zoning Administrator, or the permit may be revoked for noncompliance.

attachments:	[applicant's statement not provided]	Floor plans
	Whittier Alliance statement	Elevations
	Zoning map	fence detail
	Site plan	aerial photograph
	Landscaping plan	